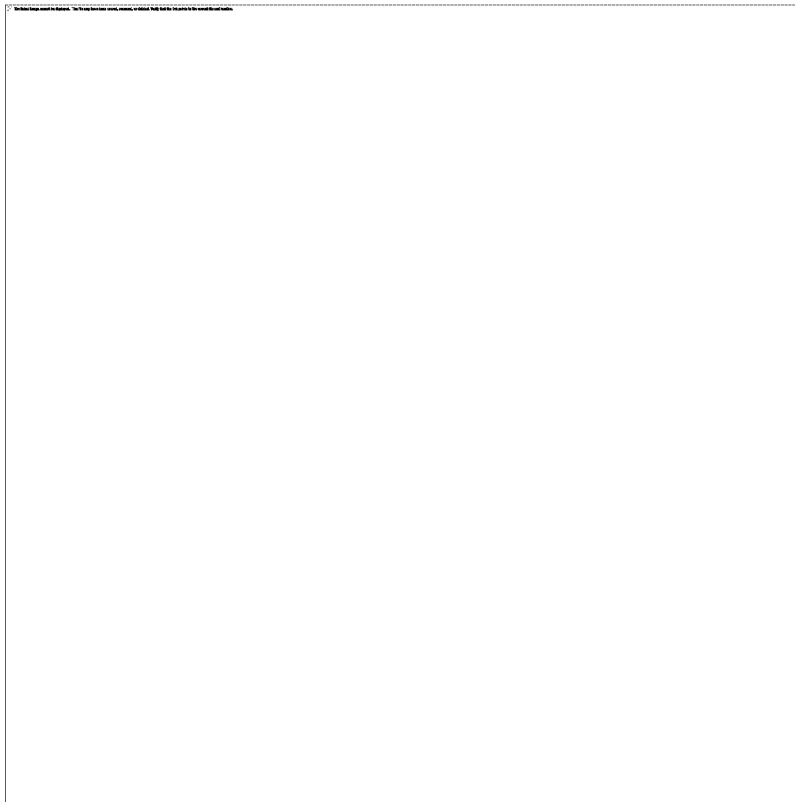


Message

From: Morning Consult [reply@e.morningconsult.com]
Sent: 1/26/2018 2:16:50 PM
To: Brooks, Phillip [Brooks.Phillip@epa.gov]
Subject: Morning Consult Energy: EPA to Ease Rules on 'Major Sources' of Air Pollution

Morning Consult Energy: EPA to Ease Rules on 'Major Sources' of Air Pollution



By Sei Chong

Government Brief

- The Environmental Protection Agency said it will remove its "once-in always-in" provision of the Clean Air Act, which is a 1995 policy that keeps sites classified as "major sources" of air pollution even if companies make changes that reduces emissions. Sens. Shelley Moore Capito (R-W.Va.) and John Barrasso (R-Wyo.) had asked the EPA earlier this month to change the policy because they contended it discouraged plants from making additional investments, but environmentalists argue the EPA's move will encourage polluters to

reduce emissions to just under the point where they would be classified as a "major source" of pollution. ([The Wall Street Journal](#))

- Sen. Lisa Murkowski (R-Alaska) said she will ask Interior Secretary Ryan Zinke to exempt the more sensitive ecological areas in the Gulf of Alaska and in the Kawerak region in the Bering Strait from his proposed plan to expand oil and gas drilling in federal waters. Murkowski, head of the Energy and Natural Resources Committee, said that while Alaska lawmakers are "really bullish and optimistic" about the oil and gas potential of the Arctic and the Cook inlet, certain areas "are not opportune for leasing and for development." ([Reuters](#))
- Rep. Fred Upton (R-Mich.), the former chairman of Energy and Commerce Committee and the current chairman of the Energy subcommittee, is expected to announce today that he is joining the Climate Solutions Caucus. Upton enters the group with Rep. Jan Schakowsky (D-Ill.), bringing the caucus's numbers up to 68, evenly split between the two parties. ([Axios](#))

Business Brief

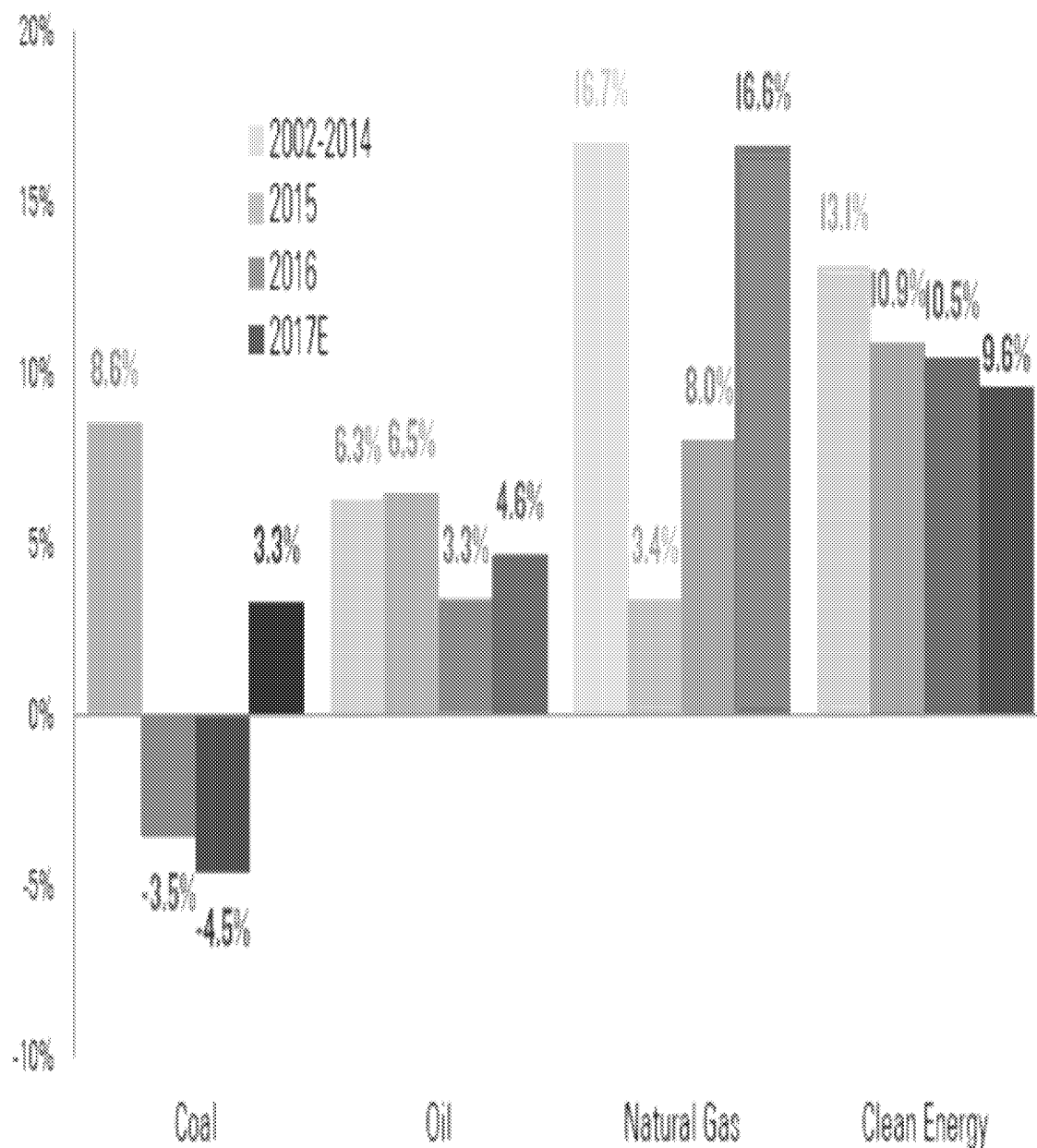
- The U.S. Chemical Safety Board said it is investigating the well explosion in Oklahoma that killed five workers. The accident occurred east of Oklahoma City on Monday at a natural gas well drilled by Patterson-UTI Energy Inc., which is based in Houston, for owner and operator Red Mountain Energy, which is based in Oklahoma. ([Washington Examiner](#))
- The Federal Energy Regulatory Commission has told Energy Transfer Partners LP to stop its work on a tunnel under the Tuscarawas River in Ohio for the Rover pipeline project while the agency re-evaluates the site's geology and engineering plans. The directive came after the Ohio Environmental Protection Agency had asked the regulator for a stop-work order because Rover couldn't adequately account for a loss of drilling slurry as it drilled a pilot hole for the pipeline. ([E&E News](#))
- SunPower Corp. said it was suspending a \$20 million U.S. factory expansion unless its solar panels receive an exclusion from tariffs the Trump administration imposed this week. SunPower, which is based in San Jose, Calif., does most of its manufacturing in the Philippines and Mexico. ([Reuters](#))

Chart Review

China Energy Snapshot 2017
Rhodium Group

Figure 1: Chinese energy demand by source

YoY Growth, Percent

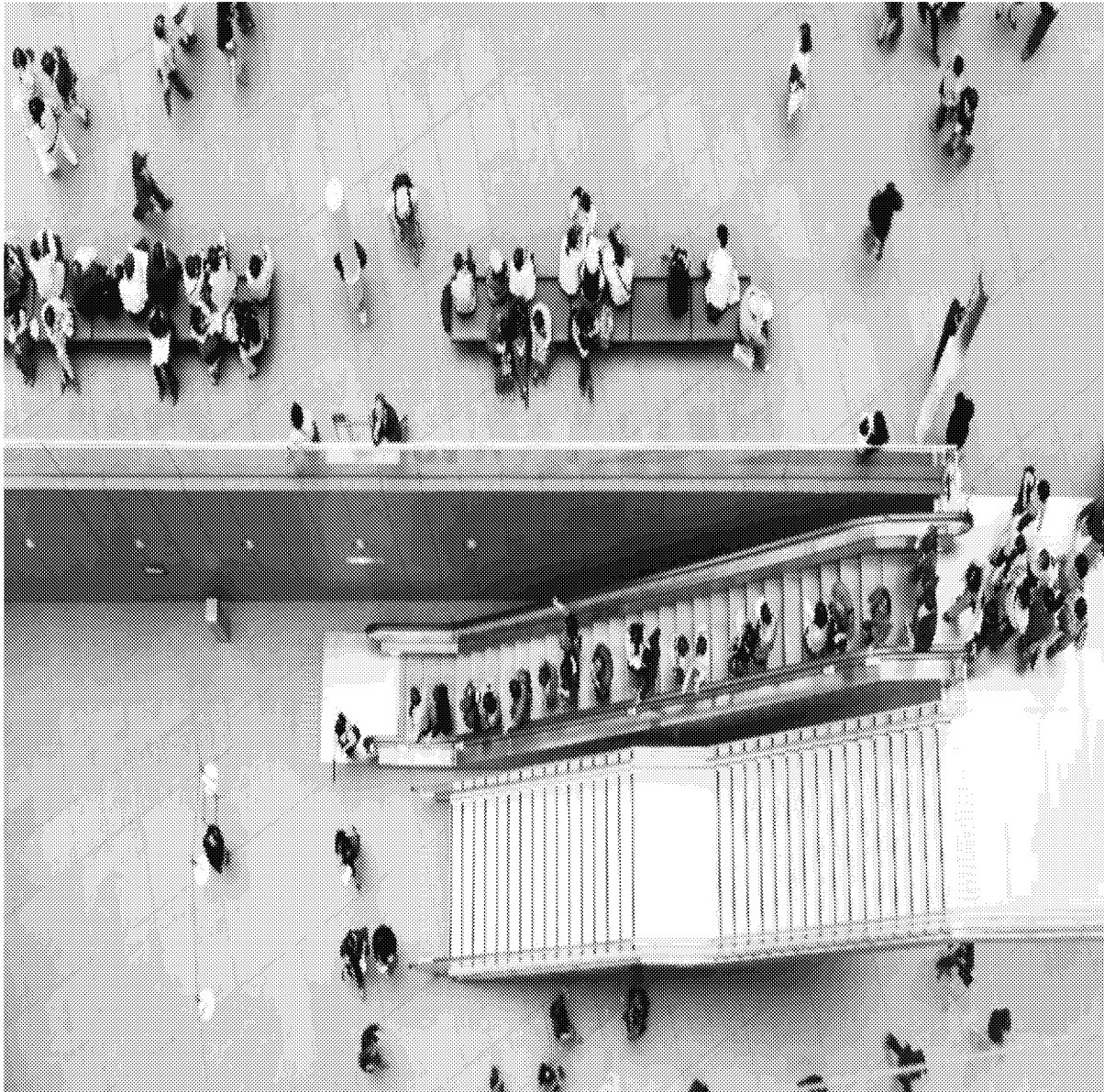


Source: CEIC and Rhodium Group estimates

Events Calendar (All Times Local)

FRIDAY

API Exploration & Production Winter Standards Meeting	8 a.m.
Brookings conversation with OIRA Administrator Neomi Rao on Trump's regulatory agenda	10 a.m.
Society of Environmental Journalists forum on 2018 energy/environment guide	3 p.m.



The Most Polarizing Brands in America

From the NFL to CNN, here are the brands that divide Democrats and Republicans the most.

General

EPA Withdraws Air Pollution Policy
Timothy Puko, The Wall Street Journal

The Trump administration is withdrawing a decades-old air policy aimed at reining in some of the largest sources of hazardous pollutants like mercury and lead.

Fred Upton joins bipartisan Climate Solutions Caucus
Ben Geman, Axios

Michigan Rep. Fred Upton, the former chairman of the powerful Energy and Commerce Committee, will announce today that he's joining the bipartisan Climate Solutions Caucus.

Republican who opposed ANWR drilling won't seek re-election
George Cahlink and Nick Bowlin, E&E News

Republican Rep. Patrick Meehan of Pennsylvania, a member of the Climate Solutions Caucus, announced last night he won't seek a fifth term in Congress this fall in the wake of allegations that he settled a sexual harassment suit against a former aide.

Oil Set for Weekly Gain as Crude Stockpiles and Dollar Decline
Ben Sharples and Grant Smith, Bloomberg

Oil headed for a weekly increase as U.S. crude stockpiles dropped further and the nation's currency weakened.

Oil and Natural Gas

Senator asks Interior chief to shield parts of Alaska from offshore drilling
David Shepardson and Valerie Volcovici, Reuters

Alaska's Republican senator said on Thursday she will ask Interior Secretary Ryan Zinke to remove certain sensitive offshore areas of Alaska from his proposed strategy to increase oil and gas drilling in federal waters.

Federal chemical safety board to investigate deadly explosion at Oklahoma natural-gas well
Josh Siegel, Washington Examiner

The U.S. Chemical Safety Board said Thursday it will investigate this week's fatal well explosion in Oklahoma, the deadliest shale-drilling accident since the start of the shale boom.

Landowners, Frackers in Tense Faceoff in Wake of Colorado Blast

Meenal Vamburkar, Bloomberg

The fracking frenzy in Colorado is spurring a tense faceoff between shale drillers in the region and residents seeking a better handle on the dangers in their own backyards after a killer pipeline explosion last year.

Solar Developer Sees Trump Tariffs Giving Gas Rivals a Boost

Perry Williams, Bloomberg

SolarReserve LLC, a California-based renewable-energy developer, said President Donald Trump's decision to slap tariffs on solar equipment imports will benefit the U.S. gas industry.

Oil's Heavy Hitters Line Up to Dive Into Mexico's Deep Waters

Adam Williams and Sabrina Valle, Bloomberg

If you're a super-major oil explorer, Mexico says it's got a bargain for you.

Unique Oil Spill in East China Sea Frustrates Scientists

Cally Carswell, Nature

The lighter petroleum that spilled has never before been released in such massive quantities in the ocean.

Saudi Aramco, the Crude-Oil Giant, Becomes a Force in Refining

Christopher Alessi, The Wall Street Journal

Saudi Arabia's state oil company is building an oil-refining empire, a major shift for the world's No. 1 crude producer as it tries to shore up its balance sheet ahead of the world's biggest-ever IPO and make up for income lost to OPEC production cuts.

Utilities and Infrastructure

Rover builders must reassess ability to tunnel under Ohio river

Jenny Mandel, E&E News

Federal regulators have instructed Energy Transfer Partners, the company behind the Rover pipeline, to stop work on a tunnel under the Tuscarawas River in Ohio while it reassesses the site's geology and engineering plans. The directive to cease horizontal directional drilling fulfills a request made by the Ohio Environmental Protection Agency following several unsuccessful attempts by Rover to address a loss of drilling fluids in its tunneling operation.

Big Money Is Getting Into Microgrids
Julian Spector, Greentech Media

The Carlyle Group will put hundreds of millions of dollars toward owning and operating microgrids, tackling the industry's financing challenges.

Renewables

SunPower puts U.S. expansion on hold over Trump tariff
Nichola Groom, Reuters

SunPower Corp on Thursday said it was putting a \$20 million U.S. factory expansion and hundreds of new jobs on hold until and unless its solar panels receive an exclusion from federal tariffs the Trump administration imposed this week.

Wynn's Paradise Park to be powered by solar energy
Mick Akers, Las Vegas Sun

Paradise Park, casino mogul Steve Wynn's planned multiuse development behind his Strip hotels, will be powered exclusively by renewable energy, Wynn Resorts announced today.

SMA Solar sees U.S. duties making only small dent in market
Christoph Steitz, Reuters

SMA Solar, Germany's largest solar group, expects the industry to take a just a small hit from import tariffs imposed by U.S. President Donald Trump this week, sending its shares to an 11-week high.

Shell buying spree cranks up race for clean energy
Ron Bousso and Clara Denina, Reuters

Royal Dutch Shell has spent over \$400 million on a range of acquisitions in recent weeks, from solar power to electric car charging points,

cranking up its drive to expand beyond its oil and gas business and reduce its carbon footprint.

Coal

No one will fund the only technology that can save the US coal industry, according to a new Moody's report
Akshat Rathi, Quartz

Moody's Investor Service predicts that the US coal industry will continue a "sharp decline." That is, unless carbon capture and storage (CCS) is deployed.

Nuclear

Lawsuit against nuclear power subsidies will proceed
Rick Karlin, Times Union

More than a year after a coalition of anti-nuclear activists filed a lawsuit to overturn the Cuomo administration's decision to subsidize three northern New York nuclear plants, the case is moving forward. Acting state Supreme Court Justice Roger McDonough earlier this month denied the state's motion to dismiss the lawsuit.

Climate

Hurricane Center: Harvey's 'overwhelming' rains were likely nation's most extreme ever
Jason Samenow, The Washington Post

Hurricane Harvey unleashed a tropical deluge probably unsurpassed in U.S. history, the National Hurricane Center says. In an in-depth meteorological review of the storm released Thursday, the center said it was unable to identify any past storm that had unloaded so much rain over such a large area.

China outlines plans for "Polar Silk Road" in Arctic
Alice Woodhouse, Financial Times

Beijing has released a white paper outlining its plans for a "Polar Silk Road" in the Arctic as global warming allows for the expansion of shipping routes across the top of the world.

Chemical sunshade to slow warming may not be feasible: U.N. draft

Alister Doyle, Reuters

The idea of spraying a haze of sun-dimming chemicals high above the Earth as a quick way to slow global warming faces so many obstacles that it may not be feasible, a leaked draft U.N. report says.

Temps jumped a half-degree over 3 years. 'Just remarkable'

Chelsea Harvey, E&E News

Global temperatures rose by a record-breaking amount between 2014 and 2016, new research finds.

Davos Lauds China's Climate Efforts Even as Emissions Rise

Keith Bradsher and Lisa Friedman, The New York Times

Xi Jinping, China's president, galvanized supporters of the climate-change fight last year when he told an audience at the World Economic Forum that the effort "is a responsibility we must assume for future generations."

The Mercers, Trump's Billionaire Megadonors, Ramp Up Climate Change Denial Funding

Alexander C. Kaufman, HuffPost

Robert Mercer and his daughter, Rebekah Mercer, are best known as the secretive billionaire megadonors who bankrolled and organized President Donald Trump's campaign, poured at least \$10 million into Breitbart News, and showered millions on a network of right-wing websites and think tanks. The Mercers are less well known as patrons of the climate change denial movement, yet their spending has been equally generous and appears to be increasing, according to new, previously unreleased tax filings reviewed by HuffPost.

Weather.com devoted its entire site to climate change today. Here's why.

Angela Fritz, The Washington Post

It's a 50-state project, and it's the only thing you'll see on Weather.com today - stories from New England to Hawaii on how people and

ecosystems are adapting (or failing to adapt) to climate change and the new, extreme weather that comes with it.

Opinions, Editorials and Perspectives

Public lands, private pain: Stopping sexual harassment at the Interior Department

Reps. Raúl M. Grijalva (D-Ariz.) and Donald Mceachin (D-Va.)

The overdue national conversation on sexual harassment has revolved around awful behavior by well-known individuals. This media focus on the latest big name in entertainment, business or politics, while perhaps unavoidable, has tended to gloss over a big part of the story: sexual harassment pervades all kinds of workplaces, including federal agencies.

Trump team isn't negotiating a good NAFTA deal for workers
Elizabeth Warren, USA Today

The evidence is in: Donald Trump is the King of Offshoring. Since Trump promised to stop American job outsourcing, company after company has announced its intent to send more jobs overseas.

Research Reports

Engaging over data on fracking and water quality

S.L. Brantley et al., Science

Extraction of unconventional oil and gas using high-volume hydraulic fracturing (HVHF)-"fracking"-is a "wicked" problem: Science and policymaking are complex and opaque; problems are unstructured, cross areas of policy jurisdiction, require coordinated action among various stakeholders who disagree about values, and tend to result in limited solutions with complex consequences.



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